

Internal Revenue Service, Treasury

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maintain the TIN of a payor of record on a mortgage, whenever incurred, it must request the TIN at least annually and must process responses properly and promptly.

(2) *Manner of requesting TIN.* An interest recipient need not separately mail a request for a TIN. An interest recipient may include a request in its regular mailing of payment coupon booklets or annual statements. If an interest recipient makes no mailing to a payor of record during the year in which the payor of record incurs the obligation, it must request the TIN in a separate mailing. No particular form is required to request a TIN. Nevertheless, an interest recipient must make the request on a separate paper and must clearly notify a payor of record that the Internal Revenue Service requires the payor of record to furnish a TIN in order to verify any mortgage interest deduction. An interest recipient must notify a payor of record that failure to furnish a TIN subjects the payor of record to a \$50 penalty imposed by the Internal Revenue Service. A request for a TIN made on Form W-9 satisfies the requirement of this paragraph (f)(2).

(g) *Effective date*—(1) *In general.* Except as provided in paragraph (g)(2) of this section, this section is effective for mortgage interest received after December 31, 1987. Section 1.6050H-1T contains rules for reporting mortgage interest received after December 31, 1984, and before January 1, 1988.

(2) *Points.* The reporting requirement of this section does not apply to prepaid interest in the form of points received before January 1, 1995.

[T.D. 8191, 53 FR 12005, Apr. 12, 1988, as amended by T.D. 8507, 58 FR 68753, Dec. 29, 1993; T.D. 8571, 59 FR 63253, Dec. 8, 1994; T.D. 8895, 65 FR 50408, Aug. 18, 2000]

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- (a) Reporting requirement.
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- (1) Time of reporting.

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- (f) Effective date.

[T.D. 8652, 61 FR 7, Jan. 2, 1996]

§ 1.6050I-1 Returns relating to cash in excess of \$10,000 received in a trade or business.

(a) *Reporting requirement*—(1) *In general.* Any person (as defined in section 7701(a)(1)) who, in the course of a trade or business in which such person is engaged, receives cash in excess of \$10,000 in 1 transaction (or 2 or more related transactions) shall, except as otherwise provided, make a return of information with respect to the receipt of cash.

(2) *Cash received for the account of another.* Cash in excess of \$10,000 received by a person for the account of another must be reported under this section. Thus, for example, a person who collects delinquent accounts receivable for an automobile dealer must report with respect to the receipt of cash in excess of \$10,000 from the collection of a particular account even though the proceeds of the collection are credited to the account of the automobile dealer (i.e., where the rights to the proceeds from the account are retained by the automobile dealer and the collection is made on a fee-for-service basis).

(3) *Cash received by agents*—(i) *General rule.* Except as provided in paragraph (a)(3)(ii) of this section, a person who in the course of a trade or business acts as an agent (or in some other similar capacity) and receives cash in excess of \$10,000 from a principal, must report the receipt of cash under this section.

(ii) *Exception.* An agent who receives cash from a principal and uses all of the cash within 15 days in a cash transaction (the “second cash transaction”) which is reportable under section 6050I or 5312 of title 31 of the United States Code and the regulations thereunder

(31 CFR Part 103), and who discloses the name, address, and taxpayer identification number of the principal to the recipient in the second cash transaction need not report the initial receipt of cash under this section. An agent will be deemed to have met the disclosure requirements of this paragraph (a)(3)(ii) if the agent discloses only the name of the principal and the agent knows that the recipient has the principal’s address and taxpayer identification number.

(iii) *Example.* The following example illustrates the application of the rules in paragraphs (a)(3) (i) and (ii) of this section:

Example. B, the principal, gives D, an attorney, \$75,000 in cash to purchase real property on behalf of B. Within 15 days D purchases real property for cash from E, a real estate developer, and discloses to E, B’s name, address, and taxpayer identification number. Because the transaction qualifies for the exception provided in paragraph (a)(3)(ii) of this section, D need not report with respect to the initial receipt of cash under this section. The exception does not apply, however, if D pays E by means other than cash, or effects the purchase more than 15 days following receipt of the cash from B, or fails to disclose B’s name, address, and taxpayer identification number (assuming D does not know that E already has B’s address and taxpayer identification number), or purchases the property from a person whose sale of the property is not in the course of that person’s trade or business. In any such case, D is required to report the receipt of cash from B under this section.

(b) *Multiple payments.* The receipt of multiple cash deposits or cash installment payments (or other similar payments or prepayments) on or after January 1, 1990, relating to a single transaction (or two or more related transactions), is reported as set forth in paragraphs (b)(1) through (b)(3) of this section.

(1) *Initial payment in excess of \$10,000.* If the initial payment exceeds \$10,000, the recipient must report the initial payment within 15 days of its receipt.

(2) *Initial payment of \$10,000 or less.* If the initial payment does not exceed \$10,000, the recipient must aggregate the initial payment and subsequent payments made within one year of the initial payment until the aggregate amount exceeds \$10,000, and report with